Major discoveries of ONGC

1010. SHRIMATI PREMA CARIAPPA: Will the Minister of PETROLEUM & NATURAL GAS be pleased to state:

(a) whether ONGC in the recent report to Government have acknowledged that it has not been able to make any major discoveries in the past 20 years;

(b) if so, whether they have also pointed out that whatever discoveries were made, contributed only 1.5 million tonnes per annum to the country's oil output;

(c) whether ONGC has zero success rate with nil discoveries for the 47 blocks awarded to it whereas private sector major RIL has a success rate of 56 per cent with 18 discoveries; and

(d) if so, whether Government are therefor considering to give more oil wells to the private sector?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) In past 20 years Oil & Natural Gas Corporation Limited (ONGC) has accreted 3,990 Million Metric barrels of oil and oil equivalent gas (MMboe) (O+OEG) of recoverable reserves equivalent to eight 'majors' within and around discovered fields. However ONGC has not made a single major discovery as large as 500 MMboe of recoverable reserves.

(b) The contribution from new finds is 1.78 Million Metric Tonne (MMT) oil per annum including condensate which is 6.83% of annual production and 2299 Million Standard Cubic Metre (MMSCM) of gas which is 10.34% of the total annual gas production of ONGC.

(c) ONGC was awarded 47 blocks with operatorship in New Exploration Licensing Policy (NELP) rounds I to IV. ONGC has reported 8 oil/gas discoveries in 40 drilled wells as on 1st July, 2007. The success ratio is 20%.

(d) Oil/gas blocks under NELP are offered through international competitive bidding where all companies-Government, private, foreign or national can bid on equal terms and conditions.

LPG connection and kerosene oil to tribals in Jharkhand

1011. Ms. MABEL REBELLO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the percentage of tribals having LPG connections in Jharkhand;

(b) whether the tribals of Jharkhand although entitled for kerosene, only the city tribals get it and the dealers take rest of the kerosene oil to adulterate it; and

(c) in what manner Government propose to stop adulteration and ensure at least kerosene is given to all the tribals of Jharkhand, mostly in remote and hilly areas, where the poorest of the poor live?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL) (a) Public Sector Oil Marketing Companies (OMCs)

have reported that they don't maintain data on tribal families in the country including Jharkhand who have LPG connections.

(b) and (c) Allocation of PDS kerosene is made by the Government of India to different States/Union Territories (UTs) on a quarterly basis for distribution under Public Distribution System (PDS). Further distribution within the States/UTs through their PDS network is the responsibility of the concerned States/UTs including Jharkhand.

Government of India allocates Kerosene to the States/Union Territories (UTs) under the Public Distribution System (PDS) for the purpose of cooking and illumination only. The quantity of PDS SKO allocated to the State of Jharkhand during the years 2004-05, 2005-06 and 2006-07 are 211175 MT for each year.

The possibility of adulteration of Petrol/Diesel and black marketing of Kerosene by some unscrupulous elements cannot be ruled out due to huge price difference petrol/diesel and various adulterants available in the market and the easy miscibility of kerosene with petrol/diesel.

To check adulteration in auto fuels and diversion of PDS Kerosene, Government has asked Oil Marketing Companies (OMCs) to take various steps to contain the menace of adulteration:-

(i) Under the Control Orders issued by the Government to prevent fuel adulteration, under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in adulteration. Government have requested the State Governments/Union Territory Administrations to take steps to control adulteration.

(ii) OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for termination of dealership in cases of adulteration being established.

(iii) Government has taken the initiatives to expedite the installation of Global Positioning System (GPS) to monitor the movement of tank trucks.

(iv) OMCs have introduced new tamper proof tank-truck locking systems to prevent en-route adulteration by transporters.

(v) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(vi) As advised by the Government, Oil Marketing Companies (OMCs) have created a separate wing to report to a Director other than Director (Marketing), which will oversee and monitor all activities and operations to curb adulteration and specify norms and guidelines in this regard.

In order to check adulteration the Government has recently taken a number of additional initiatives which are given in the Statement *(See* below).

In order to check the black marketing of Public Distribution System (PDS) kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, that dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or GMGs and that the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

Statement

Details of new initiatives taken to check adulteration of petrol/diesel and streamlining PDS kerosene distribution

Checking adulteration is a continuous process and the Ministry of Petroleum and Natural Gas has been reviewing steps taken to curb adulteration from time to time. In the process, several technological and institutional measures have been taken to contain adulteration. The recent steps taken by the Ministry are summarized below:

1. Automation of Retail Outlets: In order to monitor the activities at retail outlets by adopting the latest technological improvements, automation of retail outlets is being implemented. MOP&NG has directed the oil marketing companies to complete automation of retail outlets selling more than 200 KL per month.

2. Third Party Certification of Retail Outlets: OMCs have been directed to complete third party certification of all the retail outlets selling more than 100 KL per month.

3. Monitoring of movement of Tank Trucks through Global Positioning System (GPS): In order to prevent adulteration during transportation, OMCs have been directed to install GPS for complete monitoring of the movement of all the company owned/dealer owned/contractor owned tank trucks.

4. Marker System in Kerosene: To check adulteration in auto fuels, Government has asked public sector Oil Marketing Companies (OMCs) to take various steps, including introduction of marker in adulterants. OMCs have commenced introduction of marker in kerosene on all India basis with effect from 1.10.2006. Under the new system, Marker is being put in kerosene in all depots. This system heralds the introduction of world class technology to curb and eventually eliminate the menace of adulteration of transportation fuels along the supply chain. With the marker's presence, adulteration even with very low levels of kerosene can be detected. MS/HSD Control Order, 2005, SKO Control Order, 1993 and MDG 2005 have been amended for making provision regarding introduction of marker system in Kerosene to check adulteration. A committee has been set up in the Ministry to monitor the progress of the marker system. Oil Marketing Companies in the Private sector have also been simultaneously asked to introduce marker in Kerosene as is being done by Public Sector OMCs.

5. Revising the Marketing Discipline Guidelines: The Marketing Discipline Guidelines (MDG) under which the oil marketing companies take penal actions against the erring dealers have been revised during August, 2005

making the penal actions more stringent. As per MDG, 2005, a dealership would be terminated in the first instance of adulteration itself.

6. Jan Kerosene Pariyojna: To streamline the PDS Kerosene distribution system and contain diversion of kerosene for adulteration and other unauthorized usages, Jan Kerosene Pariyojna (JKP) had been launched initially for a period of 6 months on a pilot basis in 414 blocks with effect from 2.10.2005. The Pilot scheme has been further extended upto 31.08.2007.

7. Smart Card Scheme: With the objective of ensuring that the benefit of the subsidy reaches the targeted consumers in an efficient and cost-effective manner and to prevent any leakages, this Ministry has proposed introduction of Smart Card System for distribution of PDS kerosene. The scheme is proposed to be introduced initially on an experimental basis. In the Pilot project, subsidized kerosene through Smart Card is proposed to be available to BPL families while all other ration card holders would be given non-subsidized kerosene. Oil Marketing Companies (OMCs) would ensure adequate availability of PDS as well as non-subsidized kerosene during tbe entire period of implementation of the Pilot.

Price of LNG to be imported from Iran

1012. SHRIMATI JAYA BACHCHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Iran has demanded price hike for supply of Liquefied Natural Gas (LNG) to India;

(b) if so, what are the details in this regard including likely total impact; and

(c) whether India has accepted the price hike proposal?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No formal proposal has been received from Iran regarding price revision of LNG.

(b) and (c) In view of (a) above, do not arise.

Building strategic reserves based on cheap oil

1013. SHRIMATI JAYA BACHCHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that China imported 12.4 million barrels of crude for its strategic storage tanks in December, which was more than 50 percent higher than its November intake, taking advantage of cheaper oil; and

(b) if so, what are the reasons that Government does not consider such courses for building up reserves based on cheap crude price?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) As per the FACTS Global Energy Report Issue of March, 2007, 12.4 million barrels of crude were offloaded to the Chinese storage sites of its Strategic Petroleum Reserves (SPRs) at Zhenhai, Zhejiang Province in December, 2006. This was in addition to the 3 and 4 million barrels of injections in November, 2006.